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New Contra Office to Test Reagan's Nicaragua Policy

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WASHINGTON—In a small, nondescript suite of offices hidden across the Potomac River from the marble buildings and monuments of the nation's capital, a few State Department officials are working on an unprecedented mission.

The sign on their door, which went up only last week, reads, "Nicaraguan Humanitarian Assistance Office." But their real job is to finance a pro-American guerrilla army, the rebels known as the *contras*, in a jungle war against Nicaragua's Marxist-dominated regime.

On Tuesday, the first day of the 1986 fiscal year, the seven bureaucrats in the "Contra Office" will begin disbursing $27 million in government funds to the rebels—their first official U.S. aid since May, 1984, when Congress forced the CIA to halt its sponsorship of the war.

Six-Month Policy Test

The money is limited, from October through April, to the purchase of food, clothing and medical supplies. But the implications are broad. The Administration, Congress and the contras all agree that the next six months will provide a critical test of President Reagan's assertive policy on Nicaragua.

Can the contras, whose military effect has so far been minor, seriously threaten Nicaragua's ruling Sandinistas and, at the same time, win broader political support within Nicaragua? Can the Administration convince the Sandinistas' tough Marxist leaders that their best option is, in Reagan's words, to "say uncle?" And will Congress and the American public find the enterprise worthy of renewed support when Reagan asks for more funds next spring?

"It all depends on the next six months," said Rep. Dave McCurdy (D-Okla.), one of the key swing votes when the House approved the Administration's $27-million aid package in July. "We've given the contras and the Administration a trial period, a period of probation. . . . If the contras make some progress, comply with the law and act like good boys, they have a chance to pull this thing out.

No Reservation

"But if they go out and get involved in assassinations and tactics the American public won't support. . . . I don't think there's any reservation in Congress about walking away from them."

The Administration, understandably, prefers to emphasize the points on which it believes it has found a new consensus in Congress. But officials acknowledge that the uncomfortable compromise on which the $27 million is based—"humanitarian" aid to support a guerrilla war—leaves basic questions unanswered.

"The only thing that is obviously very clear is that none of the money can go beyond humanitarian assistance and be used in any sense for lethal aid," said Elliott Abrams, assistant secretary of state for inter-American affairs. "It's also very clear that Congress intends us to use this support as a means for putting additional pressure on the Sandinista regime, to press forward in the diplomatic path towards peace.

I don't know how we could guess at when the Sandinistas would be willing to negotiate with the democratic resistance forces. I think all we can say is that they are going to need a great deal of pressure to do so, and we intend to keep the pressure on until they do."

At the most basic level, Congress and the Administration still have not arrived at a precise agreement on what kind of aid can be delivered to the contras. Guns and ammunition are clearly prohibited, and food and medicine are clearly allowed. But contra leader Adolfo Calero was angry, aides said, to discover that the Administration will not pay for trucks and helicopters for his force—vehicles Calero said would be used only for medical evacuation—unless Congress approves.

"We don't want to take any chances," a State Department official explained. "We've got six congressional committees to keep happy—two intelligence committees, two foreign affairs committees and two appropriations committees—and we can't afford any foul-ups this early in the game."

So far, Congress appears reasonably satisfied. "I think their intent is good," said House Intelligence Committee Chairman Lee H. Hamilton (D-Ind.), a long-time opponent of aid to the contras. "They recognize the political sensitivity of the issue. They've said they plan to keep us informed as they go. . . . Of course, we'll be paying close attention."

Also unclear is what role the CIA will play. Although Democrats in Congress insisted that the CIA be excluded from administering the $27-million aid fund, they agreed to allow the agency to provide U.S. intelligence, including aerial photographs, to the contras—data that could vastly improve the 19,000 contras' chances on the battlefield against the much larger Sandinista army. Limits on that "still have to be worked out," Hamilton said.

At a minimum, congressional leaders have made it clear that they want to prevent the CIA from taking the same direct role in the war that it played from 1981

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